104th Congress 2nd Session

Vote No. 217

July 23, 1996, 11:03 am Page S-July 23, 1996, 11:03 am Temp. Record

## WELFARE REFORM RECONCILIATION/Medicaid and Current Enrollees

SUBJECT: Personal Responsibility and Work Opportunity Act of 1996 . . . S. 1956. Roth substitute amendment No. 4932 to the Chafee/Breaux amendment No. 4931, as amended.

## **ACTION: AMENDMENT REJECTED, 31-68**

SYNOPSIS: As reported, S. 1956, the Personal Responsibility and Work Opportunity Act of 1996, will enact major welfare reforms. The Aid to Families with Dependent Children (AFDC) program will be replaced with a new Temporary Assistance for Needy Families (TANF) block grant to the States. The TANF block grant will be capped through 2001. Time limits will be placed on individuals receiving TANF benefits. Overall, the growth in non-Medicaid welfare spending will be slowed to 4.3 percent annually. The bill originally included major Medicaid reforms, but most of those provisions were stricken when the bill was reported. Without those Medicaid reforms, welfare spending will still be reduced by \$61.4 billion over 6 years.

The Chafee/Breaux amendment, as amended (see vote No. 216) would require the retention of current AFDC law income and resource standards and methodologies in determining eligibility for Medicaid. To qualify for Medicaid under current law, one must either qualify for AFDC benefits or, for pregnant women, children under the age of 13, senior citizens, the blind, and the disabled, have incomes below the Federal poverty line (coverage for children is being increased so that by 2002 they will be covered up to the age of 18). Current law also requires coverage for pregnant women and children under the age of 6 who have incomes under 133 percent of the Federal poverty line. States are permitted to have, and most do, more generous eligibility requirements. The bill will impose a 1-year transition period during which no one will lose Medicaid coverage as a result of the transition from AFDC to the TANF block grant program. (States will have the option of having more restrictive requirements for TANF eligibility than they have for AFDC eligibility).

The Roth substitute amendment would provide that current Medicaid recipients who qualified for Medicaid because they qualified for AFDC benefits would continue to receive Medicaid for as long as they met current AFDC eligibility requirements. Thus, passage of this bill would not affect any citizens currently receiving Medicaid. New enrollees, however, could not qualify for Medicaid based on the current AFDC requirements.

(See other side)

YEAS (31)			NAYS (68)			NOT VOTING (1)	
Republicans Democrats		Republicans			Republicans Democrats		
(31 or 60%) (0 or 0%)		(21 or 40%)			(1)	(0)	
Ashcroft Bennett Brown Burns Coverdell Craig Domenici Faircloth Frahm Gorton Gramm Grams Grassley Gregg Hatch	Helms Hutchison Inhofe Kempthorne Lott Mack McConnell Murkowski Nickles Roth Santorum Shelby Smith Stevens Thomas Thurmond		Abraham Bond Campbell Chafee Coats Cochran Cohen D'Amato DeWine Frist Hatfield Jeffords Kyl Lugar McCain Pressler Simpson Snowe Specter Thompson Warner	Akaka Baucus Biden Bingaman Boxer Bradley Breaux Bryan Bumpers Byrd Conrad Daschle Dodd Dorgan Exon Feingold Feinstein Ford Glenn Graham Harkin Heflin Hollings	Inouye Johnston Kennedy Kerrey Kerry Kohl Lautenberg Leahy Levin Lieberman Mikulski Moseley-Braun Moynihan Murray Nunn Pell Pryor Reid Robb Rockefeller Sarbanes Simon Wellstone Wyden	EXPLANAT 1—Official I 2—Necessar 3—Illness 4—Other  SYMBOLS: AY—Annou AN—Annou PY—Paired PN—Paired	nced Yea nced Nay Yea

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NOTE: Following the vote, the Chafee/Breaux amendment, as amended, was adopted by voice vote.

## **Those favoring** the amendment contended:

The underlying Chafee/Breaux amendment would create enormous administrative headaches for the States to address a nonexistent problem. The fear of proponents of this amendment is that when this bill is passed, States will have tougher eligibility requirements for TANF benefits, which in turn will make it more difficult for mothers and children over the age of 12 to enroll on Medicaid (other Medicaid recipients would still be eligible for Medicaid under Federal law because Medicaid benefits for them are also tied to the poverty rate; as long as they are poor by Federal standards, they will get free medical care). We do not share our colleagues fear. The General Accounting office recently reported that 40 States have already expanded Medicaid coverage beyond the minimum Federal requirements. One State will give Medicaid to people with income that is as high as 300 percent of the Federal poverty level. Some States have extended coverage to children up to 19 years of age. The overwhelming evidence points to the conclusion that States are expanding Medicaid eligibility, not reducing it. Governors have been moving to expand child care and medical coverage benefits to help move welfare recipients into the workforce. A Federal mandate is not needed. If we were to impose one, it would just make States keep two separate accounting systems to meet a mandate that they would meet anyway. The Roth amendment would propose a sensible alternative. States would just have to keep the current Medicaid eligibility requirements for people who were already on Medicaid. In a few years, after current welfare recipients had moved into the workforce, those old AFDC standards would no longer apply to anyone. The approach taken by this bill is to eliminate Federal requirements and mandates in order to allow the States to reform the welfare system. If the Chafee/Breaux amendment were adopted, the welfare system would be gone, but its appendix would remain, a useless relic complicating the administration of the Medicaid program. We urge our colleagues not to make this mistake; we urge them to agree to the Roth substitute amendment.

## **Those opposing** the amendment contended:

If the Senate were to agree to the Roth amendment as a substitute for the Chafee/Breaux amendment Medicaid coverage for a large percentage of future needy Americans would be threatened. The Senate has already made the choice that this bill will reform cash welfare benefits and food stamps, but not Medicaid. That issue has supposedly been set aside. However, it has not entirely been set aside due to the interaction between the AFDC program and Medicaid. Medicaid eligibility is determined by AFDC eligibility. For some Medicaid recipients, Medicaid eligibility can also be determined by poverty, but not for parents and their children over the age of 13. This bill will permit States to tighten the eligibility standards for the successor program to the AFDC program, the TANF program. States that exercise that option will indirectly tighten the standards for Medicaid. Many families that lose their cash assistance will thus lose their medical coverage at the same time. This harsh result will serve no constructive purpose. We need to construct programs that move welfare mothers from cash assistance to gainful employment. In our hearings on this bill, we consistently found that the two greatest barriers stopping parents from getting jobs are the lack of day care and the fear of losing Medicaid. When these women get jobs, they are usually entry-level jobs that do not provide insurance. Therefore, it should be possible to have a cash welfare program that gets women working quickly and denies cash benefits but still lets them get Medicaid. Denying them Medicaid will be a medical prescription for failure. They will not get jobs. Last year, Senators agreed to the same language as is in the Chafee amendment. We urge them to exercise the same good judgment this year by rejecting the Roth amendment in favor of the underlying amendment.